

**Title:** Discussion regarding allegation levelled by former advisor to Finance Minister against the Government. (Not concluded).

MR. SPEAKER: Hon. Members, before calling Shri P. Shiv Shanker, I may inform you that a discussion under Rule 193 on the allegations levelled by the former Adviser to the Finance Minister against the Government has been admitted in the names of Prof. P.J. Kurien and Shri Sharad Pawar. They have now requested me to allow Shri P. Shiv Shanker to raise the discussion on their behalf. I have allowed Shri P. Shiv Shanker to raise the discussion.

Now, Shri P. Shiv Shanker.

... (Interruptions)

SHRI PRAKASH VISHWANATH PARANJPE (THANE): Sir, how many speakers are there?

MR. SPEAKER: Why are you in hurry? You should have some patience.

... (Interruptions)

SHRI PRAKASH VISHWANATH PARANJPE : Sir, we are representing poor people in the House but we are more concerned about the Guruswamy... (Interruptions)

MR. SPEAKER: Please take your seat. Hon. Member, this is too much. What is this?

... (Interruptions)

SHRI P. SHIV SHANKER (TENALI): Mr. Speaker, Sir, the person named Guruswamy had been a member of the Bharatiya Janata Party...(Interruptions) Why this Member is going on talking like this? Let the House be in order so that I can speak...(Interruptions) If they go on making running commentaries, I will not be able to start my speech. It is very unfair on the part of the gentleman to interrupt me like this.

Mr. Speaker, Sir, the person by name Shri Guruswamy had been the member of the Bharatiya Janata Party and he claims to have worked on developing that Party's agenda which, he says, has been spelt out in the manifesto of the Party. He also claims that he was the original author of the programme. He was appointed by this Government as the Advisor...(Interruptions)

16.17 hrs (Mr. Deputy-Speaker in the Chair)

I beseech the Whip and the Ministers to control their Members. This is not the way the Treasury Benches should behave. They cannot go on interrupting like this...(Interruptions) If they would like to gag our voice, then they will not be able to continue in the Treasury Benches. I do not interrupt the Members.

Sir, he was appointed as the Advisor or the Consultant, whatever nomenclature that could be given by the Finance Minister. This gentleman is said to have been sacked on 3rd February, 1999 whereas he has claimed that he has resigned on January 27, 1999. My submission is that since the case of the Government is that he has been sacked, there must have necessarily been certain circumstances under which this gentleman is said to have been sacked. All these circumstances are shrouded in mystery. Since then, he had been raising serious issues which smack of corruption in the Government at the highest level. Be it in the shape of the Prime Minister whose son-in-law is said to be involved as an extra constitutional authority in taking decision in various matters, equally the other Ministers like the Ministers of Commerce, Steel, Home and Information and Broadcasting and so on and so forth are also involved.

श्री लाल मुनी चौबे(बक्सर):उनकी शादी नहीं हुई तो दामाद कहां से आए?

श्री पी.शिव शंकर:प्रधान मंत्री जी को बुलाकर पूछिए।

MR. DEPUTY-SPEAKER: Shri Lal Muni Chaubey, are you on a point of order?

... (Interruptions)

MR. DEPUTY-SPEAKER: He is not yielding.

... (Interruptions)

SHRI P. SHIV SHANKER (TENALI): This gentleman had been raising all types of allegations, a lot of dust has been blown out. But no legal action whatsoever has been taken against him so far. There is no specific contradiction of what this gentleman had been trying to say all this time. The issues raised and the reasons furnished, as I said earlier, opened a can of worms. It raised questions about the integrity of the Government, its Ministers, as I said including the Prime Minister, and everyone else.

Now, the issues that have been raised and the allegations that have been brought out by this gentleman are of a diverse nature. Sir, because of the imminent danger of steel units, defaulting on their considerable loans, there was a threat to the banking system with a large burden of additional Non-Performing Assets (NPA). With a view to examining as to how the steel industry and the banking system could be bailed out, the Minister of Finance convened in or around October, 1998, a trilateral meeting of: (a) representatives of both public and private sector; (b) three Ministers concerned - Finance, Commerce and Steel; and (c) the respective senior civil servants and other experts.

The option agreed was to fix a referral price. The option of the floor price was not even proposed in that meeting, as fixing of the floor price would have been against the grain of liberalisation. In consequence of policy decision to fix the referral price, a Working Group of representatives of Ministries was set up to determine the referral price. The key parameters that were taken into consideration were the domestic cost of production base primarily on sales cost - because the cost of steel was bound to be higher in view of the old technology, and the massive labour force - screening the invoices of actual imports effected during the period showed a range of 180 to 220 dollars per tonnes.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): This is a debate under Rule 193 on allegations raised by Shri Mohan Guruswamy. Now, I would only make one request to Shri Shiv Shanker and other hon. Members who participate in the debate, if they refer to whatever Shri Mohan Guruswamy has said in the various articles that he has written and the interviews that he has given, that would be perfectly in order. If they are referring to any other issue which is beyond the ambit of what he has said then, I would suggest that please confirm it with documents and evidence that they might have.

If it is also in the nature of an allegation, then, under the rules, we need fresh notice.

SHRI VAIKO : The rules are very clear. A fresh notice has to be given.

SHRI P. SHIV SHANKER : You may be knowing more rules, Shri Vaiko, whereas I also know the rules.

SHRI VAIKO : You are well aware of that.

SHRI P. SHIV SHANKER : Please do not disturb me.

Sir, based on the allegations made by Shri Guruswamy, if there are certain peripheral facts or facts that go to support the allegation, I am entitled to make the submission and under the rules there is no question of my being stopped on that.

Sir, as I submitted, taking into consideration all these parameters, the Working Group has recommended \$247 per tonne to give an effective duty on the referral price. But when the notification was issued, it contained a floor

price of \$302 per tonne. The consequence was an unearned bonanza of \$55 per tonne which is above the cost of production and the reasonable level of profit.

Sir, I was trying to read the newspapers this morning and was trying to see as to what exactly has been said by the hon. Minister. The hon. Minister of Steel, who intervened yesterday in the Rajya Sabha, has gone on record to say that while the Inter-Ministerial Group has recommended not the referral price, but the floor price of \$247 per tonne. But the notification that was issued was for \$302 per tonne.

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK): Mr. Deputy-Speaker, Sir, I want to clarify very clearly. I said nothing of the kind that the Inter-Ministerial Group did not recommend a price, but once, as a suggestion for the steel problems, they said that we could have a floor price. (Interruptions)

SHRI HARIN PATHAK (AHMEDABAD): Mr. Deputy-Speaker, Sir, we would like to know whether the allegations that Shri Shiv Shanker is making are actually made by Shri Mohan Guruswamy or by the hon. Member himself. The House should know that.

SHRI P. SHIV SHANKER : All these allegations are made by Shri Mohan Guruswamy.

SHRI HARIN PATHAK : Sir, we would like to know whether these allegations are made by the former Advisor to the hon. Minister or by the hon. Member. If they are made by the hon. Member, then he should place all the documents which he has in his possession on the Table of the House. (Interruptions)

SHRI P. SHIV SHANKER : Sir, the Minister also interrupts and he is also interrupting. What is this? Do they want that this debate should not go on?

MR. DEPUTY-SPEAKER: Please do not interrupt him.

... (Interruptions)

MR. DEPUTY-SPEAKER: Whatever allegations he is making, he will make them with documents.

SHRI HARIN PATHAK : Then, he should place all those documents on the Table of the House. (Interruptions)

MR. DEPUTY-SPEAKER: Please do not interrupt him. We do not have time.

... (Interruptions)

MR. DEPUTY-SPEAKER: Please resume your seat.

... (Interruptions)

MR. DEPUTY-SPEAKER: Do not interrupt like this.

... (Interruptions)

SHRI PRAKASH VISHWANATH PARANJPE : Mr. Deputy-Speaker, Sir, they have appeared in the newspapers. Everybody knows the allegations. What is the point in reading out them again? (Interruptions)

MR. DEPUTY-SPEAKER: Can any Member stand up and speak like this without the permission of the Chair? What is this? He is quoting from a newspaper. How can I stop him?

SHRI SOMNATH CHATTERJEE (BOLPUR): Sir, they have a competent Finance Minister to look after it. Why should he need these assistants? (Interruptions)

MR. DEPUTY-SPEAKER: May I request the hon. Members to be serious? We are discussing a serious matter.

Every now and then, you are getting up and interrupting him. Please do not do that.

... (Interruptions)

SHRIMATI SUSHMA SWARAJ (SOUTH DELHI): Sir, I am on a point of order under Rule 354. It says:

"No speech made in the Council shall be quoted in the House unless it is a definite statement of policy by a Minister:"

मुझे नहीं लगता कि शिवशंकर जी को कहीं रूल कोट करने की जरूरत है। यहां आपने जो कुछ कोट किया कि कल श्री नवीन पटनायक जी ने राज्य सभा में यह कहा

... (व्यवधान)

जब तक स्टेटमेंट ऑफ पॉलिसी बाई मिनिस्टर नहीं है, आप काउंसिल में कही उनकी किसी चीज को यहां रैफर नहीं कर सकते।

... (व्यवधान)

SHRI P. SHIV SHANKER : So far, I have not quoted anything. ... (Interruptions)

SHRIMATI SUSHMA SWARAJ : I need a ruling from you. ... (Interruptions)

MR. DEPUTY-SPEAKER: Have you referred to a speech?

... (Interruptions)

MR. DEPUTY-SPEAKER: Let me hear what he has said.

... (Interruptions)

SHRI S. JAIPAL REDDY (MAHABUBNAGAR): I am referring to Rule 354. Shri Shiv Shanker did not quote. He has referred. ... (Interruptions) 'Reference' is different from 'quotation'. What is forbidden is quotation and not reference.

MR. DEPUTY-SPEAKER: He did not quote from a speech.

SHRI P. SHIV SHANKER : I am amused at the objection. ... (Interruptions) What is this? ... (Interruptions) I am not yielding.

SHRI KHARABELA SWAIN (BALASORE): Sir, I have also got a point of order. ... (Interruptions)

SHRIMATI SUSHMA SWARAJ : It further says:

"Provided that the Speaker may, on a request being made to him in advance, give permission to a Member to quote a speech or make reference to the proceedings..."

So, Shri Jaipal Reddy, please read the Rule. It does not speak about the quotation only. I repeat it:

"...to quote a speech or make reference to the proceedings in the Council,...."

SHRI S. JAIPAL REDDY : A reference to a reported speech in the newspaper is different from a reference to the proceedings in the House.

SHRI P. SHIV SHANKER : I do not know.

SHRI SOMNATH CHATTERJEE : Sir, I request the Minister of Finance to give some work to my niece. ... (Interruptions) She has a lot of time - now reading the Rule Book and nothing else to do. ... (Interruptions) Why do you not take that at least graceful, charming advisor in your Ministry? ... (Interruptions)

SHRIMATI SUSHMA SWARAJ : I am only assisting the hon. Deputy-Speaker. Comrade, I am not advising the Minister of Finance. ... (Interruptions)

MR. DEPUTY-SPEAKER: I think, you have not quoted it.

SHRI P. SHIV SHANKER : I just said what was contained in it. I only referred to the newspaper report.

MR. DEPUTY-SPEAKER: There is no point of order.

... (Interruptions)

उपाध्यक्ष महोदय : यहां टोका-टाकी नहीं होनी चाहिए। आज जनरल बजट भी पास करना है।

MR. DEPUTY-SPEAKER: Let us have a serious debate.

... (Interruptions)

SHRI P. SHIV SHANKER : I only said what was contained in The Indian Express. It has appeared this morning. It has been mentioned there that the Minister of Steel, while intervening in the debate yesterday in the Rajya Sabha, has said that the Inter-Ministerial Committee has recommended `247'. But the DGTD has fixed the price at `302'. This is what has appeared in the newspaper. That is what I have referred to.

What I am submitting is this. Whether it is a referral price or a floor price, I would not like to go into that controversy because they now seem to be taking the view that it is not a referral price but it is a floor price. Granting that it is a floor price, if the Inter-Ministerial Committee has recommended `247' and if the DGTD has fixed the price at \$ 302 per tonne, that means there is a bonanza of \$ 55.

What Shri Guruswamy himself meant was "...Rs. 5,000 crore every year enabling the industrialists to make the unlawful money".

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Where does he say that?

SHRI VAIKO (SIVAKASI): He never said so.

MR. DEPUTY-SPEAKER: Shri Vaiko, you are the next speaker, you can say whatever you want to say at that time. Hon. Minister, when you reply to the debate, you can say what you want to say; not now. We do not have time.

SHRI P. SHIV SHANKER : It would be very difficult to locate that portion. He also said it yesterday. My friend is locating it. If I start locating it, it will take a little time for me.

MR. DEPUTY-SPEAKER: Shri Chaplot, he is not yielding.

... (Interruptions)

SHRI P. SHIV SHANKER : Without wasting the time of this House, I will immediately quote. I have asked my friend to take it out because I have marked those portions. I will proceed further.

What I am submitting is this. The speech of the Finance Minister made in the Rajya Sabha is not available - I have been trying since morning, it is not available - because it is in the supplementary document. But I

understand that he seems to have said - if I am wrong, he may correct me - that there was no question of fixing it at \$ 247, it had been fixed at \$ 302. This is what he must have said. I do not know.

Sir, I would like to bring to your kind attention at this stage itself what had happened on 5th March in this House. On 5th March, when I raised this issue - I am quoting from page 3718 of the proceedings of this House - Shri Yashwant Sinha got up and said:

"I am ready to respond."

Nobody asked him to respond. He himself got up and said he wants to respond. Now, I am quoting from page 3724. Shri Devegowda while trying to make some observations stated:

"According to him, the DGFT fixed the floor price at Rs. 245. At that time, in the market, the HR coil steel was available at Rs. 190 per metric tonne. Then, it was reversed to \$ 302 per metric tonne to help certain companies."

This was the allegation which he made. Now, I will quote from page 3726. The Minister of Finance stated:

"As far as this issue raised by Shri Devegowda is concerned, the price was not fixed by the Minister, as Shri Mohan Guruswamy makes out. There was a meeting between the Minister of Steel and Mines and myself. We did not discuss this floor price. It was subsequently the Minister of Steel who took up the matter with the Ministry of Commerce, with the Director-General of Foreign Trade within whose jurisdiction this matter lies and they have fixed the price."

It means, he does not say at that time that \$ 247 or \$ 245 were never suggested. Whatever Shri Devegowda has said that might have existed.

What he says is that he does not know anything. It is a matter between the Steel Ministry and the Commerce Ministry and the Steel Ministry recommended to the Directorate General of Foreign Trade. Both of them have gone into it and the Ministry of Commerce had issued the notification.

Therefore, Sir, what the hon. Finance Minister says today, 'that the recommendation for 247 dollars does not exist' is purely an afterthought. It is purely an afterthought because he wants to suppress the facts. It is a case of suppressio veri suggestio falsi. This is a case where he does not want to tell the truth to the House and the nation. He wants to suppress the facts.

If this was the situation which equally existed on the 5th of March, when he spoke in this House -- nobody asked him to speak -- he himself got up to speak, he himself volunteered, he could have at that time said that there was no question of 247 dollars ever recommended by any ministerial committee. On the contrary, he could have straightaway said that 302 dollars were fixed.

Sir, that shows that the Minister of Finance is hiding the facts. He is not bringing the real truth to the notice of the House. If you kindly read the newspapers again, now the Minister of Finance has said that he quoted London Metal Bulletin prices and even the Steel Minister says that in America the spiralling price was 310 dollars. We are not concerned with that. What we are concerned with is, at what rate the steel coils were being imported in this country? The fact of the matter is that the invoices reveal that the coils were imported in this country at the rate of 180 to 220 dollars per tonne. He has to reckon it from that point of view. What prevails in America or what prevails in London is not our concern. At what rate the CIS countries, particularly, Khazakistan was exporting the coils to this country? The invoices reveal that they were at the rate of 180 to 220 dollars per tonne. The inter-ministerial committee went into the whole question. After going into it, they recommended 247 dollars per tonne. Then how suddenly this 302 dollars fixed is a matter which is shrouded in the mystery. One has to go into it. How does one go into it? If they say and if they withhold certain facts, if they can withhold certain documents, if they can withhold certain files and then suggest to us, 'what we said you please accept', that will not be acceptable.

Sir, here is a person who was with them. Here is a person who is now trying to spill the beans. He knows the facts. He is their party man. He has come forth with certain details. Now, those details have to be necessarily gone into. How do you go into it? Whether the nation should know these facts or not? Whether this Parliament should be taken into confidence or not? If this Parliament has to be taken into confidence, if the nation has to be taken into confidence, they will have to place all the papers on record. How do we do that? What is the way out? Except JPC, where we will have the opportunity to scrutinise every file, where we will have the opportunity to scrutinise every paper that will be produced, it will not be possible for us to come to the truth.

Sir, one very interesting thing I have been trying to follow in this morning papers and for some time when I was sitting there in Rajya Sabha Gallery is to find out what was being said. What is the proof? How do they expect us to provide the proof? He expects us to provide the proof. Is it a court of law where a person who makes an allegation has to prove it under the Evidence Act? Sir, I am surprised, documents are in their possession. They want to withhold the documents, they do not want to come with the truth and they want to prevaricate from time to time. In such circumstances, what is the way out? If the Parliament has to know the truth, the only way to find out the truth is that they must place all the documents before the JPC. It is only then we will be able to know the truth. They must come clean. It is their duty to come clean.

You cannot just say, 'you prove'. Here is your own man who is making the allegation. It is all the more serious because a man who has worked within the inner circle, a man who knows the working of the Government, a man who claims that he has drafted the programme of the party, a man who says that he was trying to implement the programme of the party and it is such a man who is making the allegation. Therefore, it is all the more necessary that you should not rely on some extraneous circumstances. You want us to go the London Metal Bulletin or the Steel Minister wants us to go to New York. We are not here to go to New York or anywhere else. We are concerned with the invoices that we have in this country based on the exports that are coming from the CIS countries, particularly from Kazakhstan.

Therefore, I would submit and the fact remains that there is something fishy in the whole affair. If this matter has to come to light, the only way it can come to light is that a JPC should be constituted. There is no other go. How do you otherwise expect that the nation will know the truth? I ask this question squarely, how do you expect that the nation will know the truth. The nation will know the truth in this manner and in no other manner.

Sir, having said this, the next question that I am taking is this. A Committee headed by the Special Secretary (Banking) had concluded that the financial institutions which have invested heavily in the steel industry would be in serious trouble if steps were not taken to bail out the industry. The Committee further decided that the bail out should be worked out on group by group basis and not for industry as such. Sir, I would just like to bring to your notice that I am not disputing the bail out of the steel industry group by group.

In my submission, it has to be necessarily done in that manner alone because the problems of each industry would be different; the amounts that have to be paid by each industry are totally different. It is surprising that the Finance Minister says that it was not for a particular industry but it was only for the purposes of the entire industry that the meeting was called upon.

I would submit that on the 4th January afternoon, the financial institutions and the Bank Chiefs met at the IDBI office to have a rescue package exclusively for one industry. That was ESSAR. That was the correct approach, in my view. As I said, the Finance Minister there is wholly wrong; he could not have decided the package for the entire industry at one stretch as each industry has its own problems; each group will present its problems in a diversified way. Of course, he is trying to think that if he says that it is one group, then it will be alleged that they have favoured that one group. But whatever it may be, Sir, on that day, a package was placed before the Finance Minister when he met them later on that day. Unfortunately, those concerned with that industry, the top brass were present both at the IDBI office and at the office of the Finance Minister.

So far as this particular industry is concerned, the package was worked out to help this industry because of its peculiar problem of flotation rate note, meaning thereby they owe 250 million dollars to the foreign concern.

That was due in July.

As I said, firstly, the contention of the Minister of Finance that the package was for the entire industry is wholly wrong. I would request the Minister of Finance, if he is true to his word, that he should place on record that for the entire industry the package has been worked out and that the package can be scrutinised by Parliament itself. I am challenging the Minister of Finance that no package has been worked out for the entire industry. If there is any record, he should place it. And I am contending that it was only for one group that they worked out and after 4.1.1999, no group, no package was worked out and that was purely to favour that one group. This is the misfortune. (Interruptions)

I mentioned 'Essar' group.

It is alleged that the Prime Minister's Office and the I&B Minister's role in trying to work out the packages is doubtful. The other day, when this issue was raised in the Rajya Sabha, it was surprising because the allegation of Shri Guruswamy was that the I&B Minister brought one industrialist to him and when this was made out in the other House the Minister got up to explain his conduct! And he stood up. I was in the Gallery, that is why I am giving a first hand account. The Finance Minister also was there at that time. That gentleman got up and said that "It is not true that I took that man."

SHRI VAIKO : We cannot know what happened in the Rajya Sabha.

SHRI P. SHIV SHANKER : What he said was, that " I came out of the Prime Minister's Office, somebody came to me and said that the Advisor wants him in his room." And more surprisingly a Cabinet Minister obliged an Advisor to go to his room! And he says that that particular industrialist sitting in his office at that time. That is what he says. What happened? Did he plead for his cause etc.? He never said a word in the other House.

This is the misfortune of the situation. That means the allegations of Shri Guruswamy have some truth. There is some truth in what he is saying. Therefore, why is the hon. Minister going out of the way? Why is it that the Prime Minister's Office is so much interested in getting this done? Why is it that the I&B Minister's interest is involved in these affairs?

SHRI VAIKO : Shri Shiv Shanker is a senior Member and he knows the rules pretty well. He cannot make a reference to what happened in the other House, the Rajya Sabha or what discussion took place there. He cannot make a reference.

SHRI SHAKUNI CHOUDHARY (KHAGARIA): It is reported in the papers also.

MR. DEPUTY-SPEAKER: Shri Shakuni Choudhary, a running commentary is not permitted.

... (Interruptions)

SHRI P. SHIV SHANKER : How is it that we very well know that this favour has been done? Unless a JPC is appointed and that JPC goes into the documents that they have, unless those things happen, how do we know the facts?

How could one come to the conclusion whether you have subjected yourself to favouritism or not at the instance of somebody, at the instance of either PMO or at the instance of some Minister. All these facts have come to light.

You have been speaking of transparency all these years. You have been speaking that the Official Secrets Act should be repealed. It is you who had been alleging all these things. It is in your interest that you should come forth truthfully before the nation about what exactly is the truth. And when the allegations are made by your own man, it is all the more necessary that you must wash out yourself and for that purpose you must bring out all those documents before the House. The only way is that a JPC should be constituted.

The third aspect of it is that there are certain fast track power projects of Bhadrawati and Vizag. ... (Interruptions). The Hinduja contract with respect to Vizag provides a penalty, if the power suppliers fail to



provide the stipulated quantity of power. Hinduja contended that they cannot be held culpable, if failure to meet the quantity specifications arise out of any failure on the part of the Railways to deliver the required quantity of coal. Railways can indemnify only to the extent of double the amount and they cannot go beyond that. That is under the Railways Act. This amount being much smaller to cover for the non-performance of the Andhra Pradesh State Electricity Board, the Ministry of Finance at the instance of Hinduja suggested to the coal supplier, the Mahanadi Coal, that they accept their liability. The coal concern objected to it on the ground of their poor financial condition.

Secondly, why should they carry CAN for the Railways? That was their contention. In such a situation, the Government gave a letter of comfort.

16.57 Hrs (Shri Raghuvans Prasad Singh in the Chair).

Now, the point that is most important is what is the guarantee that has to be given under the contract. The guarantee that has to be given under the contract is, if the Andhra Pradesh State Electricity Board does not pay the cost of the power to the power plant, then the State Government will pay. That is all. Wherefrom this letter of comfort comes in? The argument that has been built up and which has come earlier in the newspapers is that fast track approach has been decided by the Congress Government. It is all right. It has been decided. But when it came to the question of suggesting that Mahanadi Coal Company should pay the money, it was during the time of the United Front Government. It is all right. There is nothing wrong in it. They have said it. Mahanadi Coal Company did not accept it. But what made you to give the letter of comfort? That is most important. Why did you give it? What makes you to give that letter of comfort to this concern particularly when from 1992 to 1998, 40 per cent of the price of the machinery of power plants has come down in the level of price? If it was necessary, you should have renegotiated the whole contract. What is the reason? There is no basis. It is merely because they are asking, you have given them the letter of comfort. You cannot take the umbrage under the United Front Government; what it has done or the fast track plant that has been determined by the Congress Government. It is perfectly all right. If they have done something wrong, then they are liable. That is a different story. But you who call yourselves to be a paragon of virtue. In what circumstances, have you given the letter of comfort? Why did you give it? There is no obligation on you. You should have asked them to rediscuss or renegotiate the entire agreement.

17.00 hrs.

Why did you do it, particularly when the prices of the plant and machinery were falling to the extent of 40 per cent? This shows that there is something fishy there. It smacks of corruption. Nothing else. Therefore, you must come out clean. How will you come out clean unless the JPC is constituted and unless the JPC goes into all those documents and comes to the conclusion that whatever has been done is correct?

The other aspect is Enron. In the case of Enron foreign companies are encouraged to come to our country and invest foreign money. There was the decision of the Cabinet that such companies should bring at least 60 per cent of their investment from abroad. When the first stage of Enron to the tune of 650 megawatts was being constructed, the then Congress Government agreed for the counter guarantee, that is if the Maharashtra State Electricity Board did not pay the rates to Enron, then the Government will ensure that that price will be paid to this power plant. At that time when Shri N.K.P. Salve was the Power Minister, they insisted that a JPC should be constituted to see as to how the counter guarantee was granted. Shri Sinha and other responsible friends of the BJP are aware of it. ...(Interruptions)

I concede that inconsistency seems to be the order of the day with them. Now, the 650 Dhabol plant's second stage has gone up to 2650 megawatts. What has happened is that, according to Shri Mohan Guruswamy, financial institutions were so instructed to see that even more than forty per cent of the money that should be paid in this country should be arranged for this particular concern. That means this particular concern, that is the Enron is absolved of the responsibility of bringing in at least 60 per cent of the foreign money here. Enron has a very unsavoury reputation of spending millions and millions of rupees on educating the Indians. Their balance sheet shows that \$ 20 million have been spent for educating the Indians. When this factor came to light in this House that \$ 20 million have been spent for educating the Indians, it is worth to recall what the present Home

Minister observed at that time. He asked, 'Is there an Enron University from which you can graduate? This was the question that was asked at that time. What I am submitting is that there is already a contract. In spite of the contract, if the Government have gone for the purpose of advising this concern to raise the money from the financial institutions more than forty per cent, then this is contrary to the agreement that exists. That is point number one.

The next point is no other power company in this country has ever had this benefit at all. This is the solitary company which it has come to take the advantage.

My friends on the other side might recall that at that time these friends only were saying that if they come to power they will throw Enron into the Arabian Sea. Far from throwing it into the Arabian Sea, they have embraced Enron and are giving all sorts of concessions, which concessions are not borne out from the contract that has been entered into with that company.

SHRI SOMNATH CHATTERJEE : You have forgotten the 13 days' Ministry.

SHRI P. SHIV SHANKER : Yes. The surprising factor is that the present Prime Minister, who was then the Prime Minister for 13 days, gave a fast track clearance to this Enron company. They advised the Maharashtra Government to immediately give the clearance and saw to it that the company goes ahead with its construction work.

Therefore, what I am trying to submit is, this is favouritism. Corruption could take different forms. It could be in the case of a mala fide decision. It could be a case where favouritism is shown. It could be a case where you are accused. It is not necessary that he should show that you are taking money. Your improper actions could lead to an inference of corruption. Corruption takes different facets. You cannot say that it is in a straight jacket formula. You cannot put it in that form. Therefore, the submission that I am making is, here is a case where these people have tried to show favour to this company, which is unusual. It is for them to make out a case that they have not shown any favour. For that purpose, JPC is necessary so that all the documents are placed on the Table of this House.

Equally, the UTI shares in the ITC and the BAT is something which is interesting. It is a common knowledge that BAT had been interested in the ITC even from the Congress regime. The Board room records the former ITC Chairman, Mr.Chug, that BAT was attempting to take over the management of ITC is a common knowledge to all of us. Ever since UTI fell into liquidity crunch, one solution was suggested that it could off load their shares in the ITC. The people who are working for BAT, there are certain lobbies and those lobbies have been working for quite some time for the purposes of BAT, taking over these shares. Because of the liquidity in cash crunch and the suggestion that the ITC should off load its shares, BAT started sending the feelers. This pushed up the share price of ITC from Rs.200 to Rs.800 over the last six months of the last year. In that context, when there was already a lobbyist by the name Shri Talwar... (Interruptions) These things have come in the newspapers and that is why I am saying it. He is said to be involved with the foster son-in-law of the Prime Minister. In collusion with him, this has been going on from the time... (Interruptions) He has said all these things. Shri Guruswamy prepared a note.... (Interruptions)

SHRI VAIKO : He has referred to Shri Talwar... (Interruptions)

SHRI P. SHIV SHANKER : All this is there in the newspaper. I will not say anything off the record. I will quote everything, if you want.

SHRI VAIKO (SIVAKASI): You may then kindly quote it... (Interruptions) Since you have made a reference, you may quote it. Please do not get angry, do not get agitated.(Interruptions)

... (Interruptions)

SHRI P. SHIV SHANKER : Yesterday at 10.30 in Zee TV also this has been said... (Interruptions)

SHRI VAIKO : You have made a reference. Then you quote it. It is a discussion about the charges levelled by Shri Guruswamy against the Government. When he is giving a reference then he should quote it. He has to quote the name of the newspaper.

MR. CHAIRMAN: When you speak, you can reply.

SHRI P. SHIV SHANKER : Sir, I will quote everything. You do not bother about that.

Sir, Shri Guruswamy prepared a note for the Finance Minister which has been published facsimile in the press. It says:

"Arguing as this was the management take over bid that should be made to pay premium of at least three times and should purchase quite a large number of shares so that they could take it in control. In other words, Shri Guruswamy's proposal would have up the price of BAT's take over bid to around nine times from Rs.1,000 crore to Rs.9,000 crore. "

Sir, although according to Shri Guruswamy, the Chairman, UTI had agreed with him but when he prepared the note on 21st of January, 1999 that note was sent to the Finance Minister. The Finance Minister said that the Adviser should speak. Then it so transpired that the UTI Chairman, Shri Subramaniam came and he discussed with him. He says that after discussion, Shri Subramaniam agreed and after he had agreed he put down again on the note and sent it to the Finance Minister. The Finance Minister said that he would like to discuss the matter. On that evening the Finance Minister is said to have told Shri Guruswamy that you keep aside the note. In the evening this man receives a call from getting his price for keeping quite on the issue. Shri Guruswamy says that he had sent this proposal to the Finance Minister so that it could be a part of the official record. Now, this is what he says.

My friend, the Finance Minister says that there is no proposal in the Finance Ministry. Let that not be there. I am not disputing your point. What I am trying to say is that you will have to come out clear whether Shri Guruswamy has sent this note to you or not. His note will reveal everything. Then he wrote on that that he should discuss with you on two occasions. If you just deny and say that no paper exists that has come forth by saying that you are not involved. Certainly we are not saying this. Nobody does these things overtly. There are certain covert actions. The only way by which these covert actions can come to light is the JPC. What else is there? They expect us to provide the proof. It is surprising. As I said, they think that this is a court of law where a person who makes the allegations has also to prove. What we say is, if you appoint a JPC we will summon Shri Guruswamy himself and we will question him and find out what is truth. We will also call for the documents with you so that these documents reveal the truth. You expect us to prove. How do you expect us to prove except through JPC? If there is any way out, you tell us. Is this the court where you are trying to argue a case?

... (व्यवधान)

श्री हरिकेवल प्रसाद (सलेमपुर) : इसको साबित कौन करेगा ?

श्री पी. शिव शंकर : यह साबित उस वक्त होगा जब सारा मामला जेपीसी के सामने आएगा। जेपीसी के सामने खड़ा कीजिए, आप भी खड़े हो जाइए, हम आपसे सवाल पूछेंगे।

... (व्यवधान)

श्री विजय गोयल (चांदनी चौक): आप एडमिट कर रहे हैं कि आपके पास कोई सबूत नहीं है। हमारे खिलाफ हमें ही सबूत जुटाने हैं, आपके पास एक भी सबूत नहीं है। अगर आपके पास सबूत है तो आप रखिए।

... (व्यवधान)

क्या हमें अपनी तरफ से प्रूफ जुटाने हैं। आपके पास कोई एवीडेंस हो तो टेबल पर रखिये।

... (व्यवधान)

आपके पास कोई प्रूफ नहीं है।

... (व्यवधान)

SHRI P. SHIV SHANKER : Sir, I will take ten minutes. I would like to say one thing...(Interruptions)

SHRI VIJAY GOEL : There is no proof at all. There is no evidence at all. No document is available...  
(Interruptions)

श्री शकुनी चौधरी : सभापति जी, मेरा व्यवस्था का प्रश्न है। दो घंटे का टाइम है और एक घंटा बीस मिनट से शिवशंकर जी ही बोल रहे हैं, बाकी कौन बोलेंगे। यह एक घंटा बीस मिनट पूरी तरह बर्बाद हुआ है।

... (व्यवधान)

SHRI P. SHIV SHANKER : They should recall, and I repeat it, that on a mere radio announcement in respect of Bofors, they raised the issue. Where was the proof? On a radio report from a foreign country, they raised it...  
(Interruptions) They talk of proof to be produced by us now!

My friends are asking me to quote one thing. I was interrupted by one of my very illustrious friends by name Shri Vaiko. He put a question to me. I read it out for him. I quote:

The main lobbies for Rothman BAT have also rumoured to be close to the close relation of the Prime Minister in addition to a close relative of the Industries Minister."

This is of Guruswamy. All Swamys are not equal...(Interruptions)

Apart from this, there are other issues regarding the Tatas etc.

सभापति महोदय : दो घंटे तय हुए हैं, एक घंटा हो गया है।

SHRI P. SHIV SHANKER : I will take ten minutes. Ultimately, what is the scope of this debate? This debate is to find out the truth on the basis of various allegations that have been made by Shri Guruswamy. How do you get at the truth? If they can show us a better way, it is all right. Instead of the JPC, if they are prepared to consider it, let them do it. The truth must come out. Unless truth comes out, how do you assess the situation? Therefore, if they say that the JPC is not the proper forum, they must come out with something. The question is whether they would like truth to be revealed or they want to cover it up. If they are interested in truth, they must find a way out. We thought that the JPC is the only way out. The integrity of the Prime Minister and some other Ministers is in question. There are omissions and commissions which are obvious. The whole thing smacks of favouritism, mala fide decisions and it is a case where the needle of suspicion is pointing to the corruption of the Prime Minister and his Ministers.

I suppose the Hindutva culture that they plead and profess survives on the concept of truth...(Interruptions) I am assuming it. Please allow me to assume it. I would not like to take much time of the House. But I would like to invite your attention to what one of their valued friends Shri Jaswant Singh had said in the Rajya Sabha in 1987.

SHRI SOMNATH CHATTERJEE : Can you quote it?

SHRI P. SHIV SHANKER : I am quoting it. These are the proceedings of the House.

SHRI SOMNATH CHATTERJEE : Please paraphrase it.

SHRI P. SHIV SHANKER : What he has said is this. At the time when the debate on Bofors was there. ... (Interruptions)

SHRIMATI SUSHMA SWARAJ : You should not quote. I told you the Rule.... (Interruptions)

SHRI VAIKO (SIVAKASI): It is an established convention. ... (Interruptions)

श्रीमती सुषमा स्वराज : सभापति महोदय. इस पर आपको व्यवस्था देनी होगी। जब नियम इस पर पाबंदी लगाता है तो इस पर आपको व्यवस्था देनी होगी।

... (व्यवधान)

आप पीठासीन अधिकारी हैं।

... (व्यवधान)

Your Foreign Minister..... (Interruptions)

You cannot quote it. The Rule is so clear, so lucid and unambiguous. ... (Interruptions)

SHRI P. SHIV SHANKER : I am referring to the debate of the Rajya Sabha. ...(Interruptions)

श्रीमती सुषमा स्वराज : सभापति महोदय, मेरा व्यवस्था का प्रश्न है। मुझे आपकी व्यवस्था चाहिए।

... (व्यवधान)

MR. CHAIRMAN : Please sit down, Shri Vaiko.

... (Interruptions)

SHRI P. SHIV SHANKER : They have stressed that. ... (Interruptions)

SHRIMATI SUSHMA SWARAJ: Are you quoting? ... (Interruptions)

SHRI P. SHIV SHANKER : I am speaking orally.

SHRIMATI SUSHMA SWARAJ : You cannot even refer to that. ... (Interruptions)

SHRI P. SHIV SHANKER : Please sit down. ... (Interruptions)

SHRIMATI SUSHMA SWARAJ : I must get a ruling from the Chair. Do not ask me to sit ... (Interruptions)

SHRI AJIT JOGI : He did not quote.

SHRIMATI SUSHMA SWARAJ : He cannot make reference to that.

महोदय, मैंने आपसे पहले उपाध्यक्ष महोदय को यह रूल दिखा कर कहा था कि इसका हैडिंग है:

"Restriction on quoting speeches made in Council."

इसके नीचे लिखा है :

"Provided that the Speaker may, on a request being made to him in advance, give permission to a member to quote a speech or make reference to the proceedings..."

That means there is a restriction to make reference.

आप इस पर अपनी व्यवस्था दें।

... (व्यवधान)

मुझे आपकी व्यवस्था चाहिए। नियम साफ और स्पष्ट हैं। उसमें कोई एम्बिग्यूटी नहीं है। उसमें कहा गया है कि काउंसिल की स्पीच को न रैफर कर सकते हैं और न कोट कर सकते हैं।

... (व्यवधान)

सभापति महोदय : ठीक बात है।

श्रीमती सुषमा स्वराज : जहां तक परमिशन का सवाल है

Permission is to be sought in advance in writing. Not just now.

मैंने कह दिया और उन्होंने परमिशन दे दी।

... (व्यवधान)

Permission has to be sought in advance.

एक माननीय सदस्य : उन्होंने परमिशन दे दी।

श्रीमती सुषमा स्वराज : कहां दे दी?

SHRI P. SHIV SHANKER : It was debated on 11th August, 1987 that Shri Jaswant Singh..... (Interruptions)

श्री चन्द्रमणि त्रिपाठी (रीवा): इसमें आपकी क्या व्यवस्था है?

सभापति महोदय : व्यवस्था यह है कि नियम ३५४ के अधीन राज्य सभा में दिए गए भाषण को कोट करने पर रोक है।

... (व्यवधान)

श्रीमती सुषमा स्वराज : सभापति महोदय, वह फिर भी कोट कर रहे हैं।

... (व्यवधान)

SHRI P. SHIV SHANKER : It was reported in the newspapers also. But I am only saying. ... (Interruptions)

SHRI VAIKO : Now, you are jumping to newspapers.

SHRI P. SHIV SHANKER : It was on the 11th of August, 1987 that the present Foreign Minister had at that time insisted that they have no proof.

There is nothing of that type. Some foreign agency has spread the news. Therefore, truth has to come out. If the truth has to come out, JPC alone is the way out. That is what was said.

Sir, in recent times, they had been trying to quote Mahatma Gandhi off and on. That great soul lived on the concept of truth and non-violence. They are trying to quote him off and on and they are trying to project that

they want to make his dreams into reality. Therefore, that great soul has left his imprints on the sands of time based on truth and non-violence. If they are really interested in the truth, if truth has any relevance for them, who had been trying to pose before the nation that they stand by principles, it is in their interest that a JPC should be constituted and truth alone should come out.

>SHRI VAIKO (SIVAKASI): Mr. Chairman, Sir, Shri Shiv Shanker, for whom I have got the greatest regard - I was listening to him with rapt attention except for a few minutes - is a very good advocate. He has played the role of a judge as well as that of an advocate. But today he has miserably failed in the role that he has played as an advocate, because it is a weak case. He has failed to substantiate his demand for a JPC probe.

Sir, on the basis of the allegations levelled by Shri Mohan Guruswamy in the articles in The Asian Age and also in an interview to The Indian Express, today my hon. friends from the Opposition Benches are demanding that there should be a JPC probe. I would like to express with emphatic force that I am for transparency in public life, I am for honesty and credibility in public life. But at the same time, the whole country is watching us and Shri Shiv Shanker has spoken for nearly one-and-a-half hours.

SHRI P. SHIV SHANKER : But I was interrupted for 40 minutes.

SHRI VAIKO : All right. He spoke for 50 minutes then. If there is a genuine case, it can be substantiated within five minutes or even two minutes. He has taken 90 minutes, but he has failed to substantiate the allegations levelled by Shri Mohan Guruswamy, because Shri Mohan Guruswamy himself has failed in his attempt. He has not made any allegations of corruption. I would like to quote from the article which appeared in The Asian Age dated the 11th March, 1999. It says:

"I have never levelled any charge of corruption."

This is said by Shri Mohan Guruswamy.

We are debating the so-called allegations.

Again on 23rd February in an interview to The Indian Express, Shri Sunil Jain put a question. It is very very relevant for this discussion. He asked:

"Are you saying, Sinha was on the take regarding ITC, UTI in that?"

He made a reference about that. When Shri Sunil Jain asked a categorical question that "are you saying, Sinha was on the take?", Shri Mohan Guruswamy gave a reply. Here is the reply:

"Someone else may have been. I am not charging him with anything. But this was the turning point in our relationship."

In an interview on 14th March to The Hindustan Times, a question was put by Shri Sunil Lal. This is very relevant because Shri Shiv Shanker, in his concluding remarks, made a scathing attack against the Government headed by Shri Atal Bihari Vajpayee. Therefore, this question by Shri Sunil Lal is very very relevant. I quote it:

"Are you saying there is corruption at the highest level?"

This is the question put by Shri Sunil Lal in The Hindustan Times. But he ducks again. He evaded the question. This is a specific question. This is a categorical question:

"Shri Mohan Guruswamy evades the question. He skips away. He ducks. He is not giving a direct reply to that.

I am saying that this was billed as a party with a difference but this Government is no different. The style, the process, the method is the same as before."

... (Interruptions) I am reading not for the Communists but only for the Congress Benches:

"The players on whose behalf they are acting are the same. They operate in the same manner."

Then, he says:

"There is no corruption charge."

I straightaway come to the point raised by Shri Shiv Shanker about the UTI's relationship with ITC and British American Tobacco Company. What was said about that? Shri Mohan Guruswamy had stated that there was an offer of price from the other side. For what?

"I received an offer for my silence. That night, I received an offer from the other side for my silence."

This is on 22nd February, 1999. That day, he did not say anything. But yesterday, Shri Mohan Guruswamy, in an interview to a private TV channel, has said it.

SHRI SOMNATH CHATTERJEE : You have brought in the Zee TV.

SHRI VAIKO :Yes. I am reading it. In his interview to the private TV channel, he says about the price of the offer. Then, he said:

"I received an offer for my silence."

He did not say anything. Now, he says:

"I had an offer from Deepak Talwar to the tune of 10-12 crores."

This is something shocking. All right.

SHRI AJIT JOGI : That is why 'JPC'.

SHRI VAIKO : I am coming to the point. Do not jump to JPC. I would like to ask the hon. Minister of Finance. He says: On 21st January, he received a call - an offer - for his silence, an offer from Deepak Talwar of 10 to 12 crore.

What was Shri Mohan Guruswamy doing from 21st to 27th January? Why did he spell out these things? Did he take up the issue with the Finance Minister? Did he inform the Finance Minister? I want to have the answers for all these allegations from the Finance Minister. ... (Interruptions)I am very fair in my approach. He should have been honest in his accusation. I want to know whether this issue was taken up with him. Did he inform Shri Deepak Talwar about the offer? After the reply given by the hon. Finance Minister, Shri Guruswamy has no case at all. All of a sudden, he went to a private TV channel yesterday, and said that there was an offer of Rs. 10 crore or Rs. 12 crore. If any charge is substantiated with proof and testimonial evidence, we are for a trial. This is a democracy. But here it is just a case of witch-hunting and chasing of wild goose. He is not able to substantiate any of these allegations on corruption. The hon. Members, on the other side, are asking for a JPC. In that case, the JPC will become a laughing stock. There should be a substantial evidence or proof on the question of corruption. Why did Shri Mohan Guruswamy resign? He says:

"The major point that I had made in my resignation letter was that I felt that there was a little difference between a BJP-led Government and a Congress Government in the manner they conducted themselves....."

Then he went on illustrating about Enron, and all other cases which the hon. Member has referred.

On January 27, in his resignation letter to the Finance Minister, Shri Yashwant Sinha, he said:

"Our responses have been slow."



SHRI BHUBANESWAR KALITA (GUWAHATI): Is he quoting from his resignation letter or is he quoting from the newspaper? We want to know the source of his information.

SHRI VAIKO : It is a copy of the letter. He said:

"Our responses have been slow, and much too late in coming to any consequence. This has made our Government appear as not being very different than all the previous ones and this is my great disappointment."

So, he is a disappointed man. He is not only disappointed but he is also frustrated. A frustrated man is a dangerous man. He himself said because in desperation and frustration... (Interruptions)

SHRI SOMNATH CHATTERJEE : Just like the Ministerial aspirants!

SHRI VAIKO : So, Shri Mohan Guruswamy has made a confession about his stature. He has made a confession about himself. He quotes Chapter 2 of Bhagwad Gita as an appropriate message for him only. That is why I said, it is nothing but a confession from his side. It is said: "From anger arises infatuation, from infatuation, confusion of memory; from confusion of memory, loss of vision; and from loss of vision goes to complete ruin. So, from fear, anger and frustration comes infatuation. It is because of this infatuation, he is contradicting himself in the articles that he had written.

Sir, then he makes a reference about Secretary in the Ministry of Finance, Shri N.K. Singh.

He is making a reference about Shri N.K. Singh. He says, 'the state of his mind, the desperation and frustration...' That is why I bring to the notice of this august House, to the notice of hon. Members of different political parties, '... the state of his mind, his approach...' That is why I am quoting it. To Shri N.K. Singh, he gives kudos. He appreciates and then he says, 'in fairness to him, it must be said that he is the only truly competent senior advisor the PM has. All right.

Then in the very next sentence, he is contradicting himself. One could argue that his competence is by far outright by his failings and weaknesses. So, he is contradicting himself because of his confused mind, of the anger and frustration and infatuation is said to be in his mind. Therefore, again when he speaks about the recommendation from the hon. Home Minister to have him as a Chief Executive Officer of Prasar Bharati. He says, I quote:

"The PM quite accurately guessed that I would begin to assert myself..."

Then the PM should be happy. He says,

"I would begin to assert myself for once in office and so could not be trusted."

What is the argument in this? He could put some argument and then he could say that because the Minister could not trust him. Here he says, 'I would begin to assert myself, then the Prime Minister could not trust me.' What is this argument? That is why, I would like to say that he was in frustration and anger.

Regarding his accusations about ITC and UTI's holding shares in ITC and an attempt to be sought by the British American Tobacco Company, BAT. Mr. Chairman Sir, the Managing Director of the BAT himself has very categorically denied this accusation. He had said that there was no communication with the Finance Ministry, neither formal nor informal. What more do they want?... (Interruptions)

SHRI BHUBANESWAR KALITA : Does he want a certificate?... (Interruptions)

SHRI VAIKO : What more do they want? There was no communication. Then they should not jump on me if I make a reference about the Members of Parliament. Then, there is a reference about 40 Members of Parliament who made a representation. There may be some fake attempt like the bogus voting here. I do not know, because 40 Members have signed it. When somebody dares to cast a bogus vote even in the Parliament, for the first time in the history of Parliament... (Interruptions) I did not say that he did the bogus voting ... (Interruptions)

Therefore, when there is a reference about 40 MPs making representation on behalf of this BAT company... (Interruptions)

SHRI AJIT JOGI : It does not mention BAT at all. He can read the letter... (Interruptions)

SHRI PRITHVIRAJ D. CHAVAN : He should not mislead the House ... (Interruptions)

SHRI VAIKO : That is their job, I do not mislead the House... (Interruptions)

श्री सत्य पाल जैन (चंडीगढ़): सभापति महोदय, मैं प्रतिपक्ष के माननीय सदस्यों से पूछना चाहता हूँ कि उस दिन इस सदन में जो बोगस बोटिंग कांग्रेस पक्ष की तरफ से कराई गई, क्या उसके ऊपर भी संयुक्त संसदीय समिति का गठन उनको स्वीकार्य है। मध्य प्रदेश के कांग्रेस के

... (व्यवधान)

SHRI BHUBANESWAR KALITA : If you agree on this, we will agree on that.

सभापति महोदय : श्री जैन, बीच में उठकर इस प्रकार से बोलना उचित नहीं है। नियमों के विपरीत है। कृपया आप आसन ग्रहण करें।

SHRI VAIKO : I have come to know that there was a representation from some 40 MPs -- Shri Guruswamy is writing his own thesis about the price to be offered.

My hon. colleague, Shri P. Shiv Shanker made a reference about the referral prices to protect the steel industry... (Interruptions)

SHRI N. JANARDHANA REDDY (BAPATLA): Shri Vaiko, the letter of Members of Parliament can also be referred to the JPC. We do not mind ... (Interruptions)

SHRI VAIKO (SIVAKASI): Please listen my concluding part with patience. ... (Interruptions)

SHRI N. JANARDHANA REDDY : I am only telling this. Do not teach patience. From you we heard everything. ... (Interruptions)

SHRI PRITHVIRAJ D. CHAVAN : Let him speak. He is making a very good speech. ... (Interruptions)

SHRI AJIT JOGI : We must thank him. ... (Interruptions)

SHRI VAIKO : You have lost your case in Bihar in this House and all these days you are trying to corner the Government. ... (Interruptions)

There was a question put by Mr. Sunil Jain. This was an interview published in Indian Express dated 23rd February by Mr. Mohan Guruswamy again to Mr. Sunil Jain. The question says:

"There is also the issue of excessively high 'referral' prices to protect the steel industry from cheaper imports. Briefly, while global prices for HR coils are around 190 dollars a tonne, the Government has said that if imports are made at below a price of 302 dollars, the imports will not be allowed freely. This allowed local mills to boost prices of their products and according to users, amounts to a total give away of close to Rs. 5,000 crore."

This was the question put by Mr. Sunil Jain. Mr. Mohan Guruswamy did not say this. This was a reference in his question, 'close to Rs.5,000 crore'. What was the answer given by Mr. Mohan Guruswamy? He does not answer this question. He again backed away. That is my point. When there is a reference about Rs.5,000 crore, Mr. Mohan Guruswamy does not give a reply and he backed away. So, for any disappointed, frustrated soul, when he is making all sorts of stories, he is fit to be a writer. Is there any need for the JPC?

Shri P. Shiv Shanker, while he was pleading for the JPC, referred about the JPC on Bofors. This is an important part of his speech. I did not want to make a reference to Bofors. He himself was landing in trouble. What should

I do? He made a reference about Bofors. I would like to know from my Congress friends, do they come forward for the JPC immediately. No. They came forward after we substantiated proof after proof came from Geneva from Ms. Chitra Subramaniam, document after document for days, weeks and months together. The then Prime Minister told the Parliament on the floor of this House that there was no commission money; there was no deal; nothing. But, then there was a concrete evidence of proof that money was deposited in the five accounts of Swiss bank. Even today it is ... (Interruptions)

SHRI AJIT JOGI : So far you have not proved anything in regard to Bofors. ... (Interruptions)

SHRI VAIKO : Sir, on the purchase of 155 mm Howitzer Bofors gun deal, when the Swedish Broadcasting Corporation broadcast on 16th April, 1987 and immediately when the Opposition parties at that time jumped, the then Government said at that time that there was no truth in it; there was no middlemen; there was no deal; there was no talk of commission money.

But, Mr. Chairman, Sir, now the whole world knows the truth that money had been looted in the name of Bofors and deposited in foreign banks, in the five accounts of Swiss bank. Who is the looter? Who has looted the country? Who has looted the people's money? The country wants to know till date ... (Interruptions) I raise my accusing finger against them; it is their party which was governing. It is they who looted the money and the living testimony is nobody else than Mr. Quattorocchi.

So, Rs.200 crore of money was swallowed and looted in the name of purchase of the guns. Therefore, the JPC was there. After the evidence was given, it was proved and then they had no other go. After the revelations from the diary of Martin Ardbo came to light, they could not do anything. They had a majority in Parliament, a brutal majority. They had a majority not only in this House but in the other House also when the proof was very much there.

(Interruptions)

SHRI BHUBANESWAR KALITA : Is this a responsible statement?

SHRI VAIKO : They are obsessed with a JPC because of their disastrous experience of Bofors. (Interruptions) It was I, who demanded a JPC all the time.

I would like to request this Government of Shri Vajpayee to bring out all the facts. Nobody should be spared, whatever be the position occupied by them, however, mighty they may be. Whichever position they occupy, they should be brought out.

MR. CHAIRMAN : Please conclude.

SHRI BHUBANESWAR KALITA : We are ready to have a JPC whatever be the decision in the political party.

SHRI RAJESH PILOT (DAUSA): We take up the challenge. (Interruptions)

MR. CHAIRMAN: Please conclude now. (Interruptions)

SHRI VAIKO : Bofors had paid the money. Do they pay the money for every Tom, Dick and Harry. (Interruptions) Therefore, that JPC brought a result because evidence -- unshakable evidence -- was given. Here they are not able to raise an accusing finger against the honesty of Shri Atal Bihari Vajpayee. That is why they are worrying. There is no allegation about corruption. He has not mentioned it. Therefore, they have lost all their ground. They have lost all their ground in politics recently. Therefore, one after one, one day they would raise this. Tomorrow they will shout about Admiral Bhagwat. They have no case. But the country is watching and we are spending our time on trivial matters. We should not give an impression that we are just making some accusations or level allegations without any proof. Is the Parliament for JPC? Shri Shiv Shanker spoke for 90 minutes. He is a very great advocate. But he could not prove or make out anything. He has been selected as their star speaker. He could not prove or substantiate any of the allegations.

Are we meant to discuss what is happening in a political party? Shri Mohan Guruswamy is writing about the rapport between the Minister of Home Affairs and the Prime Minister. He is writing so many things.

If the newspapers report today that the Madam has got no confidence in Shri Sharad Pawar and that is why he has not spoken on this subject, I do not believe it. Can we give credence to that?

Therefore, there is no case for a JPC and this discussion is enough, this debate is enough. It has been proved beyond doubt that this Parliament is for transparency and honesty.

Till this minute, nobody has been able to raise an accusing finger against the honesty of the hon. Prime Minister, the top man of the country.

Therefore, I am praying hard that they will miserably fail. My sympathies are for them.

>SHRI SOMNATH CHATTERJEE : Mr. Chairman, Sir, I wish to congratulate Shri Vaiko for a very vibrant speech. I hope the hon. Prime Minister will have the courage to reshuffle his Government and induct some new Ministers.

SHRI VAIKO : I am not for that.

SHRI SOMNATH CHATTERJEE : No, such a 'sterling performance' should be recognised.

I do not wish to cover the grounds which has been elaborately done by Shri P. Shiv Shanker. The question is about the allegations levelled by the former Advisor to the Minister of Finance against the Government. Therefore, the subject matter of the discussion is known and nowhere it said allegations of corruption against the Minister of Finance. My hon. friend, Shri Vaiko, has said that Shri Mohan Guruswamy has said that he is not alleging corruption against the Minister of Finance. That is not the subject matter alone, that is included within this, but not the sole subject matter. The subject matter is allegations against the Government, misuse of authority by the Government or its Ministers will come within this. Shri Mohan Guruswamy is whose man? I do not know, Shri Vaiko has not said how Shri Guruswamy came to be selected to such an important position.

SHRI VAIKO : One of the mistakes committed by the Government.

SHRI SOMNATH CHATTERJEE : Thank you very much...(Interruptions). You do not need many enemies after this. I personally feel, after going through this, that Shri Yashwant Sinha is a very small actor in the whole drama. Therefore, I need not allege corruption against him personally. He is very keen and he has to manoeuvre everyday to save his position in the Government. He is under attack from right and left, right Shri Advani and left, Shri Vajpayee, supposedly. ...(Interruptions).

SHRI HARIN PATHAK (AHMEDABAD): Both are supporting him. ...(Interruptions).

SHRI SOMNATH CHATTERJEE (BOLPUR): Therefore, the hon. Minister of Finance, I have no manner of doubt with the concurrence of the hon. Prime Minister. And in the context of their tussle for supremacy that is going on also, the hon. Minister of Home Affairs must have selected him. Obviously, it is such an important position in the country when the economy is in doldrums. We have got serious economic situation. It is a rolled back Government. The hon. Minister of Finance has been promising from August that we shall have better time. Then, it became September; then it became October; then November; then January and then February. The country is facing such a critical situation. Obviously, the choice of the Advisor cannot be just a matter of ipse dixit, it is your choice with the concurrence or without the concurrence of your seniors.

18.00 hrs.

He was saying we are responsible for this. With the permission of Shri Vaiko, I would like to quote what he has stated in his resignation letter. This is a very serious matter and I would like to deal with it very seriously. "My notes to you on a range of issues like Enron, Capital Market Reform, Maruti Suzuki, BAT, ITC, PSU divestment and our many discussions on the problems of core sectors such as steel, cement, agriculture, communication,

power and the declining trends of public spending on education, health, irrigation and agriculture, are record of my concerns." Therefore, he has been regularly sending notes to him. Time and again he has expressed similar views on most of them. He has expressed concern. He was also from the same University to which Dr. Subramaniam Swamy belongs to, that is the Harvard. India Today says that the BJP is scared of Harvard because of Subramaniam Swamy and Guruswamy. Swamys are capable of doing anything, from Chandraswamy downwards. I do not know what is upward. I congratulate Shri Vaiko for giving up the name of Gopalswamy. Shri Mohan Guruswamy is a very learned, educated and articulate person. He is an MBA.

While individually we may be responsible for only a fraction of inertia that has gripped this Government, nevertheless I feel that he cannot escape culpability. I do not know whether this gentleman has resigned or was sacked. This has also become very peculiar. He says that he has resigned and the Government says, 'No he was sacked'. They take great pleasure in sacking a person selected by them.

Most of these matters are concerned with the nation today. In every sphere there is either inertia or trouble or declining trend. Everybody knows that unemployment has reached menacing proportions. See the attacks on women. What is happening to this country? People are being killed in the name of religion. This is what is happening in this country. This gentleman, I find, has expressed grave concern on important matters. If there is any misuse of authority, then the Government owes an explanation to this country. This person has been selected after a great deal of deliberations. There is no doubt about that. Obviously, he has been found to be experienced politically also. He has been in other political parties also. Therefore, he has got the experience of other political parties also. With all this political experience, he has gone to BJP. They said, 'You are welcome; come here, come here'. He was made the Advisor and member of the National Executive. He was given quick promotions. He was given a status. There is a controversy regarding this. The hon. Finance Minister has stated elsewhere that he was a mere consultant and not an advisor. What is the intention of making the statement? He may be a consultant and maybe because of his friendship he was described as an advisor. But he was operating inside his Ministry. In that Ministry he was dealing with many matters. He was there for nearly seven months. He dealt with vital issues concerning this nation. He was not just a busybody there; and he was not a self-appointed busybody there. He is supposed to have resigned on 27th January if he was such a bad person. Why did you not accept the resignation forthwith? Why did you go through the ceremony of sacking him?

There was a pressure from the seniors. His resignation apparently was not accepted...(Interruptions)

श्री विजय गोयल : अध्यक्ष महोदय, छः बजे बजट का तय हुआ था।

... (व्यवधान)

It is already six o'clock.

MR. SPEAKER: We had agreed to take it up at 1815 hours.

SHRI SOMNATH CHATTERJEE : Therefore, we are here concerned with certain charges, allegations, comments, information given by their own person. Most of them have been referred to. The question that has been raised is, there is no charge or proof, so there is no case for a JPC. It is an amazing thing. The Parliament is not sitting here as a judiciary. It is not a Court of law that you have a prosecutor. Here, Shri Jethmalani operates as a Minister, not as an outstanding criminal lawyer of this country. We all admire, appreciate him. He is one of the persons for whom I have high respect. Although, I do not know whether his great ability is being utilized as an Urban Affairs Minister. For obvious reasons, he could not get a portfolio of his choice. We know that reason.

Therefore, there are serious allegations made by their own person. He has referred to the document. What is necessary more than a prima facie case? Shri Jethmalani can tell us. At least Shri Jethmalani understands what is a prima facie case. It is a case which calls for an answer. How will it be decided here? None else than by a method which this House, the Parliament of India, has evolved. It is mostly successful, sometimes not so successful. We have the experience of our good friend, Shri Shankranand. What a miserable thing it was! For good reasons we had not participated. We had resigned from the House also. Nobody accepted that Report of the

JPC. There are good JPCs also. We expected them to have set standards here. I would have expected Shri Atal Bihari Vajpayee, who is supposed to be representing the pristine glory and transparency in every matter, to have come here and said, 'that these charges have been made against me by Shri Guruswamy, who is my own man; so, let there be a JPC. I have nothing to hide.' He would have done this. It is a very simple thing and does not require much deliberations. Who wants to hide things -- only those, who have things to hide. Why was it not done? It was a matter of two-three days within which the JPC would have submitted its report. If everything was so crystal clear, Shri Vaiko, what was the difficulty? You yourself are not so sure because you were going from one document to other. It is very interesting. He has relied on an interview given to Shri Sunil Jain. I would like to quote:

"Are you saying, Sinha was on the take?"

The word 'take', I think was used to denote money. The question is:

"Are you sure, Sinha was on the take?"

No. Someone else may have been."

So, he is totally exonerated.

"I am not charging him with anything but this was the turning point in our relationship."

Therefore, he is a good man. Maybe, due to the pressure of the Government or the Swadeshi Jagran Manch, Shri Gurumurthy or Shri Guruswamy, he was in trouble and could not operate on his own. But according to Shri Guruswamy, he has not taken money.

That does not mean that nobody has anything to do. I will only deal with two matters very briefly.

Now, I come to British American Tobacco Company (BAT). There was a note prepared by Shri Guruswamy. Again and again I am stressing that it is their document. It is not ours. This is a Government of India's document that has been published in the Asian Age of 23 February, 1999. Here it is a photocopy or fax or whatever it is called. It says:

"A note was prepared by Shri Guruswamy for the hon. Finance Minister regarding the sale of UTI holdings in ITC to BAT."

Here I believe it has been said somewhere else that there was no basis for it. Then this note had no basis at all and it is a product of an insane person? Or it is totally a useless and irrelevant thing. Now on that, there is an endorsement. It is very important. I am not going into the details as Shri Shiv Shanker has done. It says:

"Shri Subramaniam of UTI was here. We discussed this. He agrees with the contents of the note...and meeting tomorrow."

Then there is an endorsement by the hon. Finance Minister which says: "Let us discuss."

Why should you make an endorsement - "discuss"? What would you discuss if there is nothing to do or if the UTI had nothing to do with the sale of ITC shares? If the BAT does not come into the picture at all, you should have asked him what he is talking. You could have asked him to throw it into the waster paper basket. I am told that there are two endorsements saying "discuss". Why are you discussing something imaginary? Has he got so much spare time that he will discuss matters which have no relevance and are imaginary. Therefore, there was something. What was it? We want to know the truth. Shri Vajpayee have not dealt with it. You have not dealt with it. I would like to know from the hon. Finance Minister what was that. How could something be placed on the Government of India or the Ministry of Finance if they have nothing to do with that? You would not have done it. If it was a matter of Urban Affairs, you would have said that you send it to Shri Jethmalani. But he solemnly signs it and sends it again back to his Adviser. Sir, I cannot understand this. After this, it is being alleged that it has nothing to do and it is all imaginary and that there was no proposal at all. What he is supposed

to have said somewhere else -- I cannot mention where it has been said -- is that there was no proposal for sale of shares to BAT. Sir, it requires a deep probe.

Sir, there was a reference to many papers and a letter from Members of Parliament. I have been able to get a copy of that which is dated 12th of January, 1999 and I heard something on TV last night. I need not say from whom because I will be hauled up by Shrimati Sushma Swaraj. On the television I heard that the date was corrected to 5th March. But in January it was in the papers. In January there were news items coming out on this. Critical comments were being made. The Government of India is wholly unaware of this and everything is done on the basis of a letter to the Prime Minister. There is no dearth of staff of the Prime Minister. He is not like me. I have to open the letters, read them and put them into envelopes.

He has got a tremendous staff. They would have told him that it is appearing in the newspapers; there is a letter written by forty Members of Parliament to the hon. Prime Minister which is the subject matter of discussion in the country. The Prime Minister's Secretariat does not bother about it. The Finance Minister does not bother about it. What has happened? What is the complaint? Why are they so upset? Why have forty Members of Parliament written a letter to the hon. Prime Minister? It appears that some of the letters and some of the signature may not be genuine...(Interruptions)

SHRI AMAR ROY PRADHAN (COOCHBEHAR): Sir, in this connection I would like to say one thing since my name has been referred to in the other House, the Rajya Sabha, by the hon. Finance Minister in connection with the selling of the UTI shares, along with the 39 other Members who applied to the Prime Minister. I never signed any such document. It is just to put a black spot to my long parliamentary career. I am not a new Member. I am a Lok Sabha Member for seven times. I was a Member of the West Bengal Assembly for three times. The signature is not at all mine. I do not belong to the RSP but I belong to the All India Forward Bloc... (Interruptions)

SHRI SOMNATH CHATTERJEE : Sir, on this alone a JPC is necessary...(Interruptions) On this alone a JPC is required. The names of Members of Parliament have been mentioned here. This letter is being used by the hon. Finance Minister of the Republic of India to belittle the Members of Parliament, to criticise the Members of Parliament. This alone is sufficient for the purpose of setting up a JPC.

MR. SPEAKER: Shri Somnath Chatterjee, you can continue tomorrow because at 1815 hours we have to take up the Budget.

SHRI SOMNATH CHATTERJEE : Sir, I will take a maximum of another ten minutes. I am not covering the entire thing.

Sir, this is of great importance. It is supposedly dated 5th March. Who changed the date? When did it actually reach the Prime Minister's Secretariat? What is the record of incoming letters? Who attempted this interpolation? If the letter was ultimately not sent until the 5th March, do you think that Members of Parliament are so irresponsible that they will give the letter to the Press six weeks before without sending it to the Prime Minister. This is a matter of great importance.

They have very very temporary and tenuous majority. They may try to put things under the carpet. It will soil the carpet but their reputation will not be cleared. Therefore, this is a very very serious matter. I am not going into the details of it

AN. HON. MEMBER: We do not require your certificate.

SHRI SOMNATH CHATTERJEE : I do not waste my time in giving certificate to you. I do not do that.

The other very important issue is the question of fixation of the steel price. I know here also the hon. Finance Minister played a very very minor role. Probably, he has got nothing to do with it. But the Government of India is involved in it - I mean the Members of the Cabinet. The steel price recommendation goes from the Ministry concerned, that is the Steel Ministry, and who publishes it? Shri Madan Lal Khurana, you know everything. Why

are you keeping silent? In matters of torture of minorities, you are keeping quiet. In matters of corruption, you are keeping quiet although you are a victim of their internal fight.

The question is how was the price fixed when the prevailing market price or the international price, whatever it was, was quite different. How was this price fixed at \$302? The simple question is this. There is supposed to be an Inter-Ministerial Meeting. Shri Mohan Guruswamy says that. Was there a meeting? What was the decision made there? When was it held? It cannot be such a secrecy like the defence secrecy.

It cannot be of such a secrecy of national interest that the minutes of the Inter-Ministerial Meeting cannot be disclosed even to the Leader of the Opposition, what to talk of Shri Shiv Shanker. If we are not entitled being the Leftists, you show it to the Rightists. Show it to Dr. Subramanian Swamy or show it to Shri Vaiko also. I do not know how long this temporary law will continue? The House, and the country are entitled to know as to whether there was any Inter-Ministerial Meeting; as to whether any suggestion has been given to industry of price at 247 dollars 245 dollars or 250 dollars. I do not know. How was this 302 dollars arrived at? I do not mind the Government taking a decision to help our indigenous steel industry, if that was the intention. But the allegation is fixation of an adhoc price with an intent to help somebody, the steel dealers and the steel producers here. Whether it is laudable or not laudable is not the question. The question is about the manner of fixing the rates. Mr. Steel Minister, you have come here. You are a new entrant, not so much polluted as others are. Why are you keeping such a company which puts you into trouble?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK: It puts me in no trouble at all.

SHRI SOMNATH CHATTERJEE : Good. At least, there is no trouble at all. Therefore, Sir, the Steel Minister should welcome the JPC. ... (Interruptions)

SHRI SOMNATH CHATTERJEE : Sir, this is the advantage of being an ex-Finance Minister. I am not an ex-Minister. Therefore, he knows how hands are operating there. He has got the correct document and has referred to it. Everything is now exposed.

Sir, the hon. Steel Minister is a democrat, he is a transparent person, he carries a great tradition, a great legacy. Therefore, of all persons, he should not shy away or run away from this. He should not get too much polluted. So, at least, he should agree to this demand. As has been asked for, where did he get this \$282? Where did he get this? How did he come to the figure of \$302? As I said, some material has been given and let us have it.

Sir, these are questions, as I said earlier, which are contained in the several allegations which have been made by their own man. We would like to know whether they call for an answer. If they call for an answer, how is that answer to be given? We are saying: let us form a Committee. The inquiry will be over in two or three days, because not many serious matters are there. Let them bring the facts before the Committee and let the Committee decide and place a report on the Table of the House. It will be an all party Committee, not a Committee comprising of two or three persons.

Sir, there are serious allegations made by their own person, who belonged to their own National Executive, about what is happening in the PMO, what is happening in the 'PMH' - you know 'PMH', it is Prime Minister's Household - what is the coterie and what are the charges against 'A', 'B' or 'C'. There are so many names like Dabhol, Hinduja, Mittal etc. We would like to know whether they have anything to do with this PMH or the PMO. I do not know even that in-law. Fortunately or unfortunately I do not know and I do not make any allegations myself. But Shri Mohan Guruswamy has done it. That is the point. Today, because he does not suit your purpose, you would throw him as a red-hot brick.

Sir, I cannot forget the fight that was put up by my friends who are now in the BJP when allegations of corruption were discussed on the floor of the House. What a great fight that was put up by the then Opposition! Members have resigned from this House also. Shri Kumaramangalam was on the wrong side then; now also he is on the wrong side. What a gallant fight was put up for the purpose of transparency, for the purpose of probity in national life, public life!



Sir, even Rashtrapatiji has made comments about corruption in his speech. The Prime Minister is talking about corruption, political corruption in this country and it has become such that all politicians today, including myself, has to prove that they are honest. The country is now becoming disgusted with politicians and when there is an opportunity which is coming in the way of this outfit today, this motley combination masquerading as the Government, they should catch it with both hands. It is an opportunity for proving their honesty, their sincerity, their probity; merely saying that Shri Vajpayee is an emblem will not do. I am not saying that personally he is guilty. But why does he not take this opportunity? Why does he say that he shall tolerate no allegation of corruption? Nothing is a closed book. Here are the Member, who are his peers; let them decide into this question and if there is nothing to get hold of them, then they will be totally exonerated.

Therefore, I strongly support that there is a fit case for appointing a Joint Parliamentary Committee and any opposition on this score is a clear admission of guilt and a guilty conscience.

>SHRI P. CHIDAMBARAM (SIVAGANGA): Mr. Speaker, if he yields, I will take one minutes, please.

SHRI SOMNATH CHATTERJEE : All right.

SHRI P. CHIDAMBARAM : Sir, I have tried to reconstruct what has happened. I have great sympathy for my friend, Shri Yashwant Sinha - I entirely share Shri Somnath Chatterjee's views - that perhaps he is being used as a cat's paw in this game. To the best of my ability, I would reconstruct that the events.

The Working Group submitted its Report on the 29th of October, 1998. The Steel Minister had discussed the matter with the Finance Minister, and followed this with a letter to the Commerce Minister, dated 12th November, 1998. In that letter, the Steel Minister recommended like this. We shall place the letter. But, I do not think anybody is denying it. I quote.

"I urge you to kindly take steps to remove imports of seconds and defectives below a certain floor price from OGL.

Mark these words 'second and defectives'. The price of seconds and defectives is given in the last column of this letter. The recommendations of the Steel Minister was only to fix the floor price for the seconds and defectives. This follows a discussion with the Finance Minister. Eight days later, the Secretary to the Steel Ministry writes a letter to the Secretary to the Commerce Ministry where he says, and I quote:

"Not only fix the floor price for second and defectives, fix a floor price for prime steel also."

And he adds -

"This issues with the approval of the Steel Minister."

This is followed by another letter from the Steel Secretary to the Commerce Secretary where he says, and I quote:

"Floor prices must be fixed for prime material also, add 20 dollars to what we think is the FOB price, which is quoted as 282 dollars."

So, 282 dollars plus 20 dollars becomes 302 dollars. The question is: Where did the Steel Minister get the 282 dollars? The finding of the Anti Dumping authority is, during that period average import prices were far lower at 195 to 215 dollars. The question is whether the Finance Minister has been made a cat's paw in a game between the Steel Minister and the Commerce Minister.

SHRI SOMNATH CHATTERJEE : This is the advantage of being the ex-Minister.

MAJOR GENERAL BHUVAN CHANDRA KHANDURI, AVSM : Mr. Minister, all these letter have to be authenticated and placed on the Table of the House. ... (Interruptions)

SHRI CHETAN CHAUHAN : Let the documents be placed on the Table of the House. ... (Interruptions)

SHRI P. CHIDAMBARAM : If the Steel Minister denies the letters. I will place them.